



St. Vrain Valley Credit Union
Making Financial Dreams a Reality®

March 6, 2010

Ms. Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Re: Proposed Corporate Credit Union Regulation 704

Dear Ms. Rupp:

Thank you for the opportunity to comment on your proposed Regulation 704. I am writing on behalf of the Board of Directors of St. Vrain Valley Credit Union.

While the proposed Regulation contains some beneficial changes, the rule contains several changes that, if left intact, will significantly limit the value that corporate credit unions will be able to provide. In addition, you must address the investments (legacy assets) that have been at the center of the extinguishment of our Members' money. First and foremost, these investments must be dealt with because credit unions will not recapitalize corporate credit unions, if we continue to be exposed to losses from these assets. We request that you allow for the same accounting treatment as national standards, being that such treatment does not require permanent depletion of capital that is based on future loss projections which tend to continually change.

With that being said, credit unions should be allowed to work under the cooperative principles that are at the core of our existence. SunCorp Credit Union plays an important role in our day-to-day operations at St. Vrain Valley Credit Union as we rely on our line of credit, cash management, wire transfer services, share draft processing, investment services, and much more. Ideally, additional regulation will not go so far in attempting to eliminate risk that it becomes impossible for the corporate network to be a viable entity in the future of credit unions.

On the matter of governance, Ms. Rupp, our Board believes that the proposed six year maximum term for corporate credit union board members is too limiting. We know from experience that it takes several years for a typical new board member to fully understand our own Credit Union's operations. Corporate credit unions are complex financial institutions. We do not believe that a lack of term limits had anything to do with the current crisis. However, if terms have to be limited, a more practical limit would be nine years.

Additionally, limiting volunteer service to individuals that currently hold a CEO, CFO or COO title could prevent otherwise qualified individuals from serving, and this restriction is opposite of the fundamental tradition of volunteer governance of the credit union system. A good solution would be for the corporate's nominating committee to be required to adopt best practices to ensure qualified, diverse and well trained directors.

We hope that the NCUA board gives thoughtful consideration to our comments and those echoing ours that you receive from industry experts, and that final changes to the current Rule 704 allow for a safe and sound corporate system, providing our credit union with the financial services necessary for our survival.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Herbert". The signature is fluid and cursive, with the first name "Nancy" written in a larger, more prominent script than the last name "Herbert".

Nancy Herbert, Chair of the Board of Directors
St. Vrain Valley Credit Union
Longmont, Colorado